

CK Power Pcl (CKP TB) - BUY

News Update

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A weak closure for 2021

- **Output from two hydro plants still up 6% y-y in December**
- **However, water availability was weaker than in 2020**
- **Still a stable performance from SPP plant**
- **Carrying a risk into drought season**

Total power generation from two hydropower plants grew 6% y-y to 555GWh in December 2021, but it dropped sharply 21% m-m on seasonality. The output came in-line with our projection. Having said that, we are more concern on reported water availability last month as it was 15-20% lower in a y-y basis ahead of the upcoming drought season. We see this a risk of weak electricity sale from CKP in 1H22F.

- **Xayaburi (XPCL, hydro, 482MW):** Electricity output from XPCL was weak at 436GWh in December, down 14% y-y and 26% m-m. This was sharply against a 19% growth y-y in November. Major pressure was from a 15% y-y lower water flow rate in the Mekong River this year. As Indochina region is entering drought season, this weak amount of water ahead looks to be a risk of weak power output from XPCL in 1H22F.
- **Nam Ngum 2 (NN2, hydro, 283MW):** Output from NN2 project was 119GWh in December, up strongly 504% y-y. However, it was due to an extraordinary low electricity production last year when CKP decided to preserve water for the drought season this year. Therefore, given 20% y-y lower water inflow to its reservoir last month, we also see risk of low output from NN2 in 1H22F.
- **Bangpa-in Cogen (BIC, gas-fired, 154MW):** BIC delivered stable power sales in December with 125GWh electricity volume sale (-1% y-y) and 5.7k tons of steam volume sale (+13% y-y). We believe the stronger steam sale was supported by improving industrial activities post a peak of Covid-19 situation in Thailand.
- **Solar farms (BKC, solar, 19MW):** Total electricity output from its solar farms was flat y-y at 2.13GWh in December (vs. -6% y-y in November). This was likely since impact from upgraded solar panels in its projects have been seen since last year.

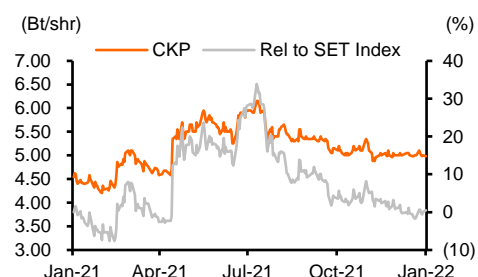
Key Valuations

Y/E Dec (Bt m)	2020A	2021F	2022F	2023F
Revenue	6,695	8,642	8,821	8,923
Net profit	405	2,043	2,210	2,207
Norm net profit	394	2,043	2,210	2,207
Norm EPS (Bt)	0.0	0.3	0.3	0.3
Norm EPS gr (%)	53.0	418.6	8.2	(0.1)
Norm PE (x)	102.8	19.8	18.3	18.3
EV/EBITDA (x)	33.8	18.2	17.6	17.5
P/BV (x)	1.7	1.6	1.5	1.5
Div. yield (%)	0.7	2.0	2.7	3.3
ROE (%)	1.7	8.3	8.5	8.2
Net D/E (%)	61.7	53.8	47.1	48.4

Source: Thanachart estimates

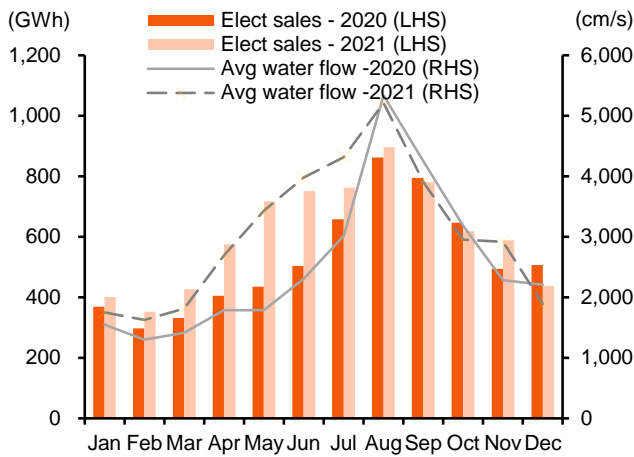
Stock Data

Closing price (Bt)	4.98
Target price (Bt)	7.50
Market cap (US\$ m)	1,228
Avg daily turnover (US\$ m)	3.0
12M H/L price (Bt)	6.15/4.20

Price Performance

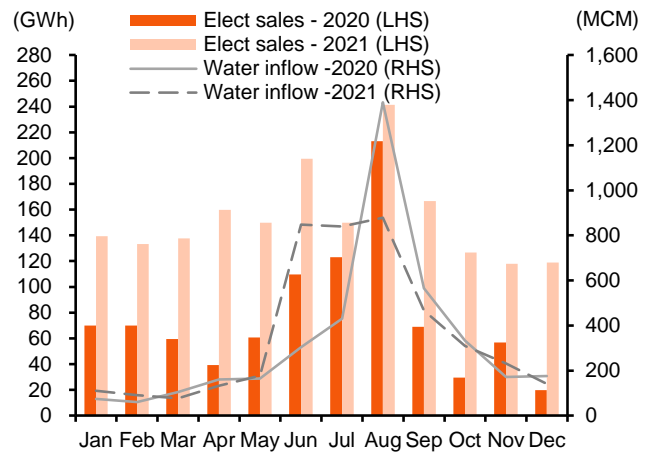
Source: Bloomberg

Ex 1: Weaker Water Availability In Mekong River (Y-Y) ...



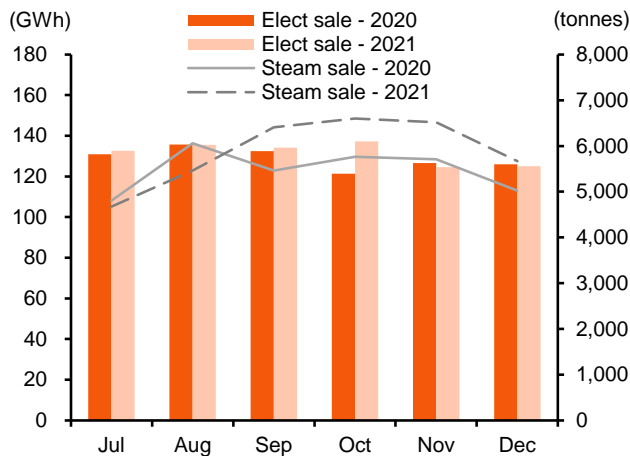
Source: Company data

Ex 2: ... So As In NN2's Reservoir



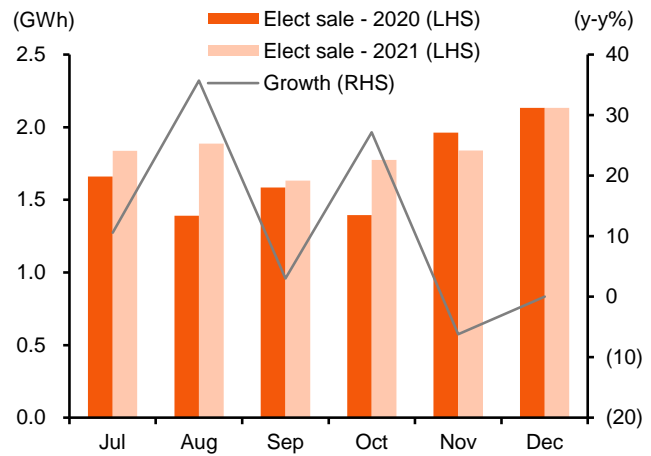
Source: Company data

Ex 3: Not Much Change To SPP Plant's Performance



Source: Company data

Ex 4: Stable Output From Solar Projects



Source: Company data

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